

ABSTRACT

A business method and model for integrating outsourced functions in a virtual enterprise system for the manufacture, warehousing, and distribution of a product. The business model includes virtual alliances and multiple virtual flows to enable electronic communication between the virtual alliances for use in the manufacture and distribution of the product. The virtual flows include material and product flows to coordinate raw materials for the product, information flows to coordinate shipping and warehousing, and financial flows to process financial transactions during the manufacture and distribution of the product. A contracting business provides for coordination among the virtual alliances and establishes, via the virtual flows, strategic control over the manufacture and distribution of the product by the virtual alliances.